(a) whether to revive co-operative credit institutions in Orissa, an MoU has been signed with the Centre and the NABARD;

(b) if so, the details therefor; and

(c) how far this will help to facilitate flow of funds to revive these societies in Orissa?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes, Sir. The Government of Orissa has signed an MoU with Government of India and NABARD on 16th November 2006 for implementing the Revival Package for Short Term Cooperative Credit Structure (STCC).

Financial assistance to the STCC would cover the following:

(i) Cleansing of the balance sheets

(ii) Support for minimum capital requirements.

(iii) Developing uniform accounting system and

(iv) Computerization.

With the implementation of the Revival Package, the STCC is expected to emerge stronger with the following benefits accruing to the system.

(i) Better financial position with cleansed balance sheets.

(ii) Ability to access resources from institutions outside the cooperative fold.

(iii) Autonomy in matters of lending and investment policies.

(iv) Computerised operations with a common accounting system and better internal checks and control resulting in operational efficiency.

Revision of transfer of assistance to States

1536. SHRI SANTOSH BAGRODIA:
SHRI GIREESH KUMAR SANGHI:

Will the Minister of FINANCE be pleased to state:

(a) the basis of transfer of assistance from Centre to States for plan schemes;

(b) when was this formula for transfer of assistance framed and what was the rationale for considering the chosen criteria;

(c) whether any State has requested for revision of the formula or for inclusion of other parameters; and

(d) if so, what was the request and what action has been taken by the Central Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Plan assistance is transferred to States, on the basis of the Gadgil-Mukerjee Formula last approved after modification in December, 1991. As per this formula, Normal Central Assistance (NCA) for all general category States is distributed in the loan-grant ratio of 70:30 and for the Special category States in the loan-grant ratio of 10:90.

(c) and (d) In the 51st meeting of the National Development Council, Rajasthan suggested that Gadgil Formula may be reviewed by giving weightage to the geographic area, index of infrastructure development and percentage of SC/ST population. A change in the criteria for allocation of Central Assistance requires approval of the National Development Council (NDC). There is no proposal under the consideration of Planning Commission for changing the criteria for allocation of Central Assistance to States.

Failure of banks in achieving priority sector lending targets

†1537. SHRI SURENDRA LATH:
SHRI SUDARSHAN AKARAPU:

Will the Minister of FINANCE be pleased to state:

(a) whether RBI have conducted a review of the performance of all the commercial banks both public and private in relation to achievement of priority sector targets as per the revised norms;

(b) the number of banks that have failed to achieve PSL targets as per the revised norms; and

†Original notice of the question was received in Hindi.